

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
Access Charge Reform)	CC Docket 96-262
Price Cap Performance Review)	CC Docket 94-1
for Local Exchange Carriers)	
Transport and Rate Structure)	CC Docket 91-213
and Pricing)	
Usage of the Public Switched)	CC Docket 96-263
Network by Information Service))	
and Internet Access Providers))	

Opposition to Petition for Reconsideration

General Communication, Inc. (GCI) herein opposes the Petition for Reconsideration filed by the Rural Telephone Coalition (RTC) in the above captioned proceeding.

Introduction

The RTC requests that the Commission not increase the Subscriber Line Charge (SLC) on non-primary residential access lines and multi-line business customers. They state that this will increase the urban rural disparity particularly if the Commission adopts the policy for non-price cap local exchange carriers (LECs). They further claim that all ILECs should be allowed to impose interstate access charges on origination and termination of interexchange carrier long distance service when unbundled network elements (UNEs) are involved. For the reasons stated below, the Commission should not adopt the proposals

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outlined in RTC's petition for reconsideration.

I. The Commission Should Reaffirm Its Access Charge Plan

The Commission's First Report and Order¹ (Order) is limited to incumbent LECs subject to price cap regulation, with limited exceptions.² The Commission states that the need for reform is greatest for these LECs and that these LECs provide more than 92 percent of the total ILEC access lines. In adopting the Order, the Commission puts forth a cohesive plan that complies with the goals of the Telecommunication Act of 1996. In the Order, the Commission states that it will issue a Further Notice to deal with access reform for small and rural rate of return ILECs.³ The RTC has no basis whatsoever to ask the Commission to not institute the plan for price cap carriers since it may be a precedent for non-price cap carriers. In doing so, the RTC continues to put forth to the Commission suggestions that outline their real agenda: ignoring the pro-competitive goals of the Telecommunications Act of 1996⁴ for the entire

¹Access Charge Reform, CC Docket 96-262, FCC 97-158, released May 16, 1997.

²Id at paragraph 50.

³Id at paragraph 332.

⁴The Telecommunications Act adopted a policy of competition for the entire nation, including rural areas. The RTC has claimed that 251(f) perpetually exempts them from competition. This is incorrect. 251(f) was incorporated in the Act so that rural carriers would not have to comply with Section 251(c) until a bona fide request was made by a competitive carrier. Once the request was made, the state commission is to determine how competition can occur.

nation. These delaying tactics should not be allowed.

GCI continues to urge the Commission to address access reform for rate-of-return LECs. Reform may even be more important in those areas where unbundled network elements are not available. Access charge reform is important to LECs that will face competition, but it is also very important to interexchange carriers that pay access charges and already face competition. Interexchange competition exists in the rural areas where unbundled network elements may not soon be available. In those locations, interexchange carriers may not have the unbundled network elements available as an alternative means of access. Such carriers need access charge reform more than carriers that can use unbundled elements as a means of access, at least for their own local customers.

Interexchange competition is now available in very rural areas. Competition in these areas is the very best means to ensure high quality service at low rates. To the extent that the Commission neglects access charge reform in these areas, interexchange competition will suffer. Indeed, rural areas may have the most to gain from competition, because these are the areas that do not always have the same services available as urban areas.

Simply stated - interexchange competition is important in all areas. Access charge reform is important to interexchange competition. Access charge reform for non-

price cap LECs should be considered promptly.

II. Interstate Access Charges Should Not Be Assessed on Unbundled Network Elements

The Commission correctly adopts the policy not to assess Part 69 access charges on unbundled network elements for all ILECs.⁵ To allow ILECs to assess access charges on UNES would amount to an overrecovery by the ILECs. Further, to impose access charges on UNES would be inconsistent with the Telecommunications Act of 1996,⁶ particularly those related to resale and the use of UNES. Exchange access is not a service provided on a retail basis to end users. Pursuant to Section 251(c)(4), an ILEC must offer for resale "any telecommunication service that the carrier provides at retail to subscribers who are not telecommunication carriers." A telecommunications carrier who purchases UNES from an ILEC is purchasing that element for its own use in its network. No other carrier may use that capability except by going through the purchaser of the UNE. The ILEC is being appropriately compensated for the UNE and should not receive a double recovery of costs through access charges on those elements.

⁵Order at paragraph 337.

⁶The Eighth Circuit confirmed that a "competing carrier may obtain the ability to provide telecommunications services entirely through an incumbent LEC's unbundled network elements is reasonable. . ." Iowa Utilities Board v. FCC, Case No. 96-3321, 8th Circuit, decided July 18, 1997, page 143.

Conclusion

Access charge reform is as important to rural areas as it is to urban areas. The Commission should proceed to access charge reform for non-price cap LECs promptly. The Commission should reaffirm its Order relating to assessment of access charges on UNEs.

Respectfully submitted,

GENERAL COMMUNICATION, INC.

A handwritten signature in cursive script, appearing to read "Kathy L. Shobert", is written over a horizontal line.

Kathy L. Shobert
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August 18, 1997

STATEMENT OF VERIFICATION

I have read the foregoing, and to the best of my knowledge, information and belief there is good ground to support it, and that it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct.

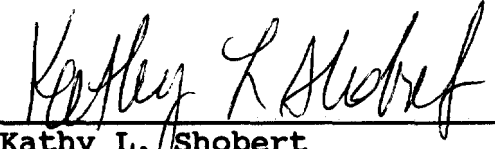
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A handwritten signature in cursive script, appearing to read "Kathy L. Shobert", written over a horizontal line.

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CERTIFICATE OF SERVICE

I, Kathy L. Shobert, hereby certify that true and correct copies of the proceeding comments were served by first class mail, postage prepaid to the parties listed below.


Kathy L. Shobert

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